

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7471

BILL NUMBER: SB 389

NOTE PREPARED: Feb 27, 2003

BILL AMENDED: Feb 25, 2003

SUBJECT: Wage Payment Issues.

FIRST AUTHOR: Sen. Young R Michael

FIRST SPONSOR: Rep. Frenz

BILL STATUS: As Passed - Senate

FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill provides a procedure for an employer to deduct amounts due to the employer from the employee from unpaid wages due to the employee. It provides that after employment terminates, neither an employer or an employee are precluded from recovering damages other than unpaid wages or amounts due to the employer. The bill exempts employees who are classified as exempt under the federal Fair Labor Standards Act from the provisions dealing with wage payment. It also permits a wage assignment for the payment of uniforms, the payment of tools and equipment, or tuition repayment. The bill repeals and relocates language making it a Class C infraction for an employer to sell merchandise or supplies to an employee for a price higher than to the public. It repeals language requiring an employer to pay employees in commercial paper. This bill repeals duplicative language concerning frequency of wage payments to employees. The bill also repeals outdated language concerning liens of laborers.

Effective Date: July 1, 2003.

Explanation of State Expenditures: (Revised) The impact on the state and local governments would be as an employer and should be a minor impact, if any.

The provisions exempting employees who are classified as exempt under the federal Fair Labor Standards Act from the provisions dealing with wage payment should have no impact.

Explanation of State Revenues:

Explanation of Local Expenditures: See *Explanation of State Expenditures*.

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected: All.

Information Sources:

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